

The Honorable Michael Powell
Chairman
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

January 14, 2003

Re: *Triennial Review of Unbundled Network Elements*, WCB Docket No. 01-338

Dear Chairman Powell:

I write to you on behalf of Speakeasy, the nation's largest independent broadband service provider. As the founder and CEO of this eight-year old company I know first hand what it takes to grow a business in a challenging environment. Despite the difficulties in telecommunications over the past year we have demonstrated good growth, recently named #47 on the Inc. 500 Fastest Growing Companies. Clearly, in order to achieve these results, we had to provide a differentiated experience for our customers.

Operating in over 80 MSA's including all major U.S. cities, Speakeasy offers **line-shared** DSL services to consumers and small businesses in partnership with Covad Communications Company and other true CLECs. Our DSL services are consistently top-ranked by independent sources, such as DSLreports.com, and our customers are more satisfied than customers of Bell company DSL services. Broadband is changing the way we live our lives, and our mission is to continue to support and develop the most empowering tool of our lifetime. Fusing a superior national network, legendary commitment to customer satisfaction, cutting-edge Internet technology and content, and a wide range of pioneering value-added services, Speakeasy delivers a comprehensive online experience that redefines the broadband frontier for both businesses and consumers.

I believe that broadband adoption is critical to our economy and to improving the very lifestyles of people. Only through compelling content and an experience that is clearly differentiated from dial-up will this adoption continue. As an example, Speakeasy provides on-line gaming services, telecommuting and VPN management and fully integrated (including billing and support) legal music services featuring content from five major labels. Innovation such as this will come from companies such as Speakeasy and Covad Communications. This type of innovation, at attractive price-points, is critical to continued broadband adoption. Our customers enjoy the unique Speakeasy value proposition at a price that is often less than the Bell Companies – if available at all!

It is my understanding that the Federal Communications Commission is currently reviewing its rules related to the market-opening provisions of the Telecommunications Act of 1996. In particular, I understand that the FCC is considering whether or not to continue requiring the incumbent local exchange carriers to provide access to the high-frequency portions of their loop plant so that competitors can provide ADSL services to consumers and small businesses. I write to you to emphasize how vital the FCC's linesharing rules have been to the

development and deployment of broadband services. Indeed, without linesharing, there would be no competition in broadband. Competition benefits consumers by fostering innovation, higher quality services, and lower prices. The FCC must preserve its existing linesharing rules if it wants the broadband revolution to continue.

Deployment of broadband services is exploding this year, and consumers and small businesses are adopting broadband at such a rapid rate that “critical mass” – the point at which broadband adoption reaches widespread acceptance and broadband content and services are widely deployed – will soon be upon us. As the Bell companies report record DSL deployment, and as competitors like Covad continue to lead the market with lower prices and innovative new services, consumers are the winners. Policies that allow customers to run Servers and operate WIFI LAN’s and partnerships with unique content and service companies have resulted in tens of thousands of Speakeasy customers. These individuals and businesses have benefited from the choice provided through the Telecommunications Act.

Indeed, as you know, although ADSL technology was first developed by the phone companies, it was not deployed for fear that it would undercut their more expensive (and profitable) T-1 and ISDN services. Because of the DSL competition made possible by linesharing, the phone companies have deployed broadband in response to competitive pressure. They will only continue their broadband deployment if DSL competition via linesharing continues to provide competitive pressure. The real issue facing broadband competitors today is demand – prices need to come down even further to encourage more broadband adoption. Before the FCC adopted linesharing rules, Bell companies priced their DSL services at upwards of \$70 per month. Today, competition is forcing prices down below \$40 per month. Only if the FCC allows competitive pressure to continue – by maintaining linesharing – will the nation’s broadband revolution expand as prices continue to decrease.

As the leading broadband ISP to the nation’s consumers and small businesses, my company relies on the FCC’s linesharing rules to promote competition and lower prices. In turn, my company is able to fulfill your broadband vision – providing affordable, innovative broadband services to all Americans. The availability of linesharing is crucial to my company’s ability to deploy broadband to the nation, and I urge you to continue your dedication to competition and broadband deployment, and preserve linesharing in the Triennial Review proceeding.

Thank you for the opportunity to submit this letter for your consideration. Please do not hesitate to contact me if I can provide any additional information.

Respectfully submitted,

/s/ Mike Apgar

Mike Apgar

President & CEO